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OPERATIONAL ACTIVITIES FOR DEVELOPMENT

JOINT INSPECTION UNIT

National execution of projects

Note by the Secretary-General

The Secretary-General has the honour to transmit to the members of the General Assembly the comments of the Administrative Committee on Coordination on the report of the Joint Inspection Unit entitled "National execution of projects" (A/50/113, annex).

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ANNEX

Comments of the Administrative Committee on Coordination on the report of the Joint Inspection Unit entitled "National execution of projects"

I. GENERAL COMMENTS

1. The purpose of the report, prepared by the Joint Inspection Unit (JIU) on the initiative of the Food and Agriculture Organization of the United Nations, is to study the evolution of the method of national execution of projects introduced by the General Assembly in the 1980s, the responsibilities of Governments, that is, their authority as executing agents for their programmes and projects and their powers with regard to the selection of executing and implementing agents for projects, as well as the role of each partner involved in the process of national execution of projects, namely, Governments as owners of projects, the United Nations Development Programme (UNDP) as the principal supplier of resources, and specialized agencies, which help member countries acquire the technical and managerial capacity to enable them to execute their programmes and projects themselves.

2. The Inspector, on the basis of replies to his questionnaire by a number of Governments, UNDP and specialized agencies, as well as of his field investigations and discussions with a number of resident representatives, government officials and staff members of the secretariats of the United Nations and specialized agencies, has come to the conclusion that, in principle, the national execution of programmes and projects has become the norm for the execution of multilateral projects supported by the United Nations system. The Inspector concludes that, although the proportion of government-executed projects is still relatively low (15 per cent on average), it has nevertheless been increasing sharply in all regions. At the same time, he stresses some difficulties and problems that exist in the way in which the national execution of projects is being put into practice. Among them are the differences in the understanding of the concept of national project execution, in many cases, a lack of cooperation and coordination between the partners, and low involvement of specialized agencies at all levels of the process of national execution of projects. On the basis of his findings and assessment, the Inspector has made some recommendations addressed to Governments, specialized agencies and UNDP, aimed at enhancing the effectiveness of this relatively new method of government execution of UNDP-funded technical cooperation projects.

3. The Administrative Committee on Coordination (ACC) has found the topic of the study of great interest to all the agencies and organizations of the United Nations system, especially to those actively involved in technical cooperation with Member States, in particular, developing countries. The report contains a large amount of practical information on many aspects of national execution of projects.

4. The Administrative Committee on Coordination notes with appreciation the importance attached in the report to the common interpretation of national execution, developed by the Consultative Committee on Programme and Operational

Questions (CCPOQ) in response to a specific request by the General Assembly, in its resolution 47/199. This common framework, apart from recalling that Governments are primarily responsible and accountable for the management of their development programmes and projects, pays particular attention to the technical role to be played by the specialized agencies, and encourages their active involvement in the formulation and technical evaluation of country programmes. The report analyses various problems encountered in the application of the national execution modality and correctly delineates the respective roles of Governments, UNDP as a major funding agency, and the specialized agencies, which, in working together, should constitute the keystone for national execution.

5. In the view of the members of ACC, the report draws generally acceptable conclusions, in particular with regard to UNDP-funded projects for which national execution has been gradually accepted and now appears to be fully supported by the parties involved. At the same time, as noted by the Inspector, due attention needs to be given to ensuring the availability of the required capacity of national authorities to assume the responsibility for programme or project execution. Therefore, the members of ACC support the conclusion of the study that further efforts are needed to increase national capabilities for project management and to ensure that the specialized agencies can make an effective contribution, in particular through the provision of technical support services.

6. The members of ACC appreciate the fact that the report recognizes the relevance of various initiatives and changes in the overall approach to operational activities, such as the application of a programme approach and the introduction of country strategy notes, as well as changes resulting from the implementation of the new UNDP support cost arrangements. The application of the national execution modality should thus be seen in a broader context of mutually supportive initiatives.

7. The Administrative Committee on Coordination is of the view that the report has contributed to the debate taking place in various intergovernmental bodies of the United Nations system on this issue, in particular, the Economic and Social Council and the General Assembly. The Committee supports the general thrust of the conclusions and recommendations, which are constructive and fair, and fully agrees that much could and should be done to improve the situation of national project execution. However, the value of the report, to some extent, has been diminished by occasional inconsistencies and some judgements that are not substantiated and cannot therefore be fully supported.

8. First of all, some members of ACC consider that it might be helpful if the report had distinguished more clearly between the programme approach and project execution. They note that, for instance, difficulties in the transfer of project personnel may be partly resolved by a more effective utilization of the programme versus the project approach, since in the programme approach, projects are perceived as routine parts of overall government programmes with common procedures and reporting requirements. As a result, transfers would be less problematic, since all personnel would be acquainted with basic programme rules and procedures.

9. It should also be noted that the report does not contain the activities and positive experience of some organizations in the area under review. Thus, for instance, there is no mention of United Nations Population Fund (UNFPA) initiatives in the use of the programme approach, such as the Programme Review and Strategy Development process, which is the main mechanism of the Fund to ensure that all those working in the population field at the country level are involved, together with national counterparts, in the formulation of a national population strategy. Moreover, the participation of UNFPA country support teams, whose members come from various United Nations agencies and non-governmental organizations, ensures coordination and complementarity of activities within the programme framework. Little reference has been made in the report to the activities of the World Health Organization (WHO), even though WHO has a representative office in almost all countries, which is not the case with other United Nations agencies.

10. Some specific comments of the members of ACC relate to the role of the regional commissions in the process of national execution of projects. Some organizations consider that, although the regional commissions are not mandated to develop and execute national projects, they may well expand their role in the preparation of UNDP country programmes. The wealth of knowledge of social and economic priorities and expanded networks of relationships with politicians and technicians in the respective regions offer an impressive potential for leadership in the United Nations system, as well as for developing networks and partnerships for selecting development priorities and designing programmes and projects. In this regard, they consider it useful to suggest that resident coordinators be urged to consult the regional commissions and utilize the multidisciplinary expertise, data and information available to the regional commissions in the preparation of a country's framework-programme. In addition, the commissions could also provide a regional perspective to the preparation of country strategy notes, which would contribute to the enhancement of linkages between regional and national programmes.

11. Some members of ACC consider it unfair to state in the report that national execution has incontestably become the norm, while the official figures show that the national execution modality is currently used in only 15 per cent of the projects and programmes (see A/50/113, figure 1).

12. The members of ACC fully support the conclusions of the Inspector that adequate training should be made available for government personnel, since some recipient countries do not have the necessary multidisciplinary and multisectoral teams or structures that can assume the implementation of projects. However, one solution the author proposes in this area, namely, the training of decision makers and senior staff of Governments rather than project managers, seems unrealistic.

13. One organization expressed its concern that the report makes no mention of projects being carried out at the grass-roots level, nor does it mention any way in which these considerations could be integrated into the system of national execution of projects. In its view, unless this happens, there will continue to be problems in ensuring optimal benefit of UNDP-administered projects.

14. Finally, it would have been useful if the report had provided a broader distinction between the specialized agencies and the United Nations funds and programmes in their promotion of national execution. In particular, distinction should have been made between specialized agencies solely involved in technical cooperation and those that act more as funding institutions, for example, the International Fund for Agricultural Development, the World Bank and the International Monetary Fund.

II. COMMENTS ON RECOMMENDATIONS

Recommendation 1

In order to strengthen the partnership between Governments, UNDP and the specialized agencies at headquarters and country levels, it is important that:

(a) The Resident Representative should refer to the decisions and options contained in the framework-programme and seek the Government's agreement when formulating the national strategy note;

(b) When formulating the country framework-programme, member States that so desire should receive the technical opinions and advice of the specialized agencies, each of which has enormous experience in its sphere of competence;

(c) All the specialized agencies should participate in the formulation of the country framework-programme;

(d) The selection of agents responsible for implementing a project or a project element should be made transparently and in a spirit of genuine cooperation, after consultations between all the partners, in accordance with paragraph 32 of General Assembly resolution 42/196.

15. The Administrative Committee on Coordination welcomes this recommendation calling for greater involvement of all the specialized agencies in the preparation of country programmes and in the formulation and design of projects. It fully supports the proposal to introduce greater transparency in the process of selecting implementing agents for nationally executed projects, which should be done in the spirit of continuing cooperation and after consultation with all the partners involved.

16. The Administrative Committee on Coordination underscores the importance of the strong involvement of United Nations agencies in operational activities under the national execution modality, through technical support services, so as to apply the institutional expertise available to help ensure the quality of these undertakings, as well as to ensure linkages between United Nations system technical cooperation and the broader policy objectives of the United Nations system as a whole, including its normative activities.

17. With regard to subparagraph (b) of the recommendation, some members of ACC note that it is not only a question of member States' desire for technical opinions and advice, but rather a policy requirement for the participation of specialized agencies in the formulation of the country framework-programme.

They also mention that, in subparagraph (a), the reference should be to the country (not "national") strategy note (CSN) and that the process of formulating CSNs is always carried out at the request of, and in agreement with, the Government.

Recommendation 2

In order to help Governments to acquire the necessary capacity for identifying the country's real needs, selecting priority sectors, formulating framework-programmes, and coordinating external assistance together with the activities and inputs of the partners (UNDP, specialized agencies, donors), it is recommended that a special fund should be set up within UNDP to:

(a) Finance the training programmes organized by Governments or specialized agencies;

(b) Organize, for the benefit of senior staff and decision makers in Member States, training seminars in the various countries, subregions and regions or at the International Training Centre in Turin (Italy);

(c) Encourage the establishment of inter-agency teams responsible for counselling Governments on any question relating to the national execution of projects and coordinating the activities of all United Nations system organizations in the various countries;

(d) Promote, at the country level, the establishment of multidisciplinary and multisectoral teams comprising representatives of the various ministries, the private sector, non-governmental organizations and the scientific community. But it is important that the Government should set clear limits on their activities and ensure that they do not become parallel or competing bodies with the traditional governmental institutions.

18. The members of ACC support, in general, this recommendation, in particular with regard to the proposed increase in training efforts aiming at enhancing the necessary capacity of national authorities for effective national execution of projects. They call attention to the Training of Trainers Programme and the Training Module on the Programme Approach developed by the International Training Centre in Turin, which appear to be most effective in contributing to national capacity-building efforts.

19. ACC interprets recommendation 2 (a) in the context of the resident coordinator system.

20. With regard to subparagraph (d), some agencies consider that the involvement of workers' and employers' organizations in the national consultative process should have been specifically singled out in the report, either in conjunction with the proposed multidisciplinary and multisectoral teams, or in any other appropriate framework.

21. Several members of ACC agree with the idea of setting up a special fund within UNDP for financing the activities proposed in this recommendation. However, others strongly oppose this suggestion, since UNDP has already been

providing necessary funds through projects and other sources for training programmes of senior staff and decision makers nationally, subregionally and regionally, as well as at the Turin Centre since 1989. They are of the view that this idea should be given further thought.

22. Some organizations suggest that the financing of training programmes should not be at the expense of the regional indicative planning figure (IPF) because the level of IPFs of national programmes have been considerably increased at the expense of the regional IPF. Therefore, if a special fund is to be established within UNDP, the allocations should be met out of the IPF allocated to national programmes.

23. As to subparagraph (c), containing the proposal on inter-agency counselling for Governments and the coordination of United Nations system activities, some members of ACC are of the strong view that these are the functions of the resident coordinator, who should equally act as a catalyst between the national and the international participants in the national execution modality.

Recommendation 3

The specialized agencies in the United Nations system should continue efforts to decentralize their technical services at the country or subregional levels and assign to these countries or subregions highly qualified personnel to train nationals, and transfer scientific and technical know-how.

24. The members of ACC note that this recommendation is fully in line with the ongoing efforts of organizations and agencies of the United Nations system, particularly of larger ones, directed at the decentralization of technical competence and expertise to the regional and subregional levels. They also support the proposal to assign highly qualified personnel to countries for training nationals, and to transfer scientific and technical know-how through various measures, including the arrangements for technical cooperation among developing countries. Some agencies, however, consider that, in practice, much depends on a Government's ability to evaluate the qualifications of United Nations personnel and the capability of national counterparts assigned to the personnel.

Recommendation 4

The great number of rules and procedures relating to project management in force in UNDP and the specialized agencies constitute a big stumbling-block for Governments and system organizations alike. UNDP should therefore revise some of the procedures in its "Programme and Projects Manual" (PPM) so as to make them less complicated and thus facilitate the application of the new national execution of projects (NEX) method, particularly as regards successor arrangements. It should also encourage dissemination of the measures contained in the May 1992 report of the Inter-Agency Procurement Services Office (IAPSO) in the recipient countries.

In addition, UNDP, jointly with the specialized agencies, should:

(a) Formulate a definition - clear and acceptable to all - of national execution of projects, in order to avoid varying interpretation according to the partners responsible for applying it;

(b) Establish clear regulations relating to the management of project funds and to the method of compensation and reimbursement of expenditure in favour of the specialized agencies (TSS-1 and TSS-2);

(c) Formulate, at the local level in consultation with the Government, clear systems:

(i) For the use of local resources and external inputs;

(ii) Relating to the determination of salaries and allowances to be paid to local personnel (national project directors and other specialized government personnel assigned to NEX projects and personnel recruited by the specialized agencies in their areas of competence), so as to avoid excessive discrepancies in salaries between the staff assigned to NEX projects.

25. The majority of ACC members agree with the conclusion of the Inspector that the existing rules and procedures of UNDP and the specialized agencies relating to project management constitute a stumbling-block for Governments and system organizations, and fully support his proposal to urgently simplify and standardize these rules and procedures in order to facilitate national execution without compromising on the need for accountability.

26. With regard to the suggestion in subparagraph (a), the members of ACC were of the view that the dialogue on further clarification of the national execution concept, to minimize varying interpretation, could be pursued within the context of CCPOQ, which is already addressing these issues.

27. The proposal concerning the establishment of clear regulations relating to the management of project funds and to the method of compensation and reimbursement of expenditures in favour of the specialized agencies is strongly supported by ACC members, since it is of particular importance to them. They note, in this context, that this recommendation is the subject of a proposed study in the JIU work programme for 1995.

28. While expressing their full support of the recommendation contained in subparagraph (c) (ii), some members of ACC note that, although the report devotes some attention to the need for the adequate payment of staff, it focuses mainly on top management. They note, however, that national execution will only be meaningful when those who actually deliver the services receive decent living wages. In this context, they draw attention to the recent decision of the members of the Joint Consultative Group on Policy regarding payment to government staff, containing helpful guidelines that can assist the efforts to facilitate national execution.